



**IDAHO**  
DEPARTMENT OF FINANCE

**C.L. "BUTCH" OTTER**  
Governor

**GAVIN M. GEE**  
Director

May 17, 2018

RE: Idaho Money Transmitter License Exemption

Dear :

The Idaho Department of Finance ("Department") is in receipt of your correspondence submitted on May 4, 2018, wherein you request confirmation that ( ) is not required to obtain a license under the Idaho Money Transmitter Act ("Act").

As disclosed in the correspondence, has developed and markets a bill payment software solution which enables consumers to input billing instructions and payment authorizations via the web site. transmits these instructions and authorizations to (" ") who completes the transaction.

Based on the information provided, the Department has determined to take a no-action position as it pertains to the licensing provisions of the Act. This determination is based specifically on our understanding that is operating pursuant to a formal agreement with . This agreement spells out is a limited agent of and as such customers providing billing instructions and authorizations to are satisfying their billing obligations.<sup>1</sup>

If you require further assistance with respect to the Idaho Money Transmitter Statutes in Idaho, do not hesitate to contact me at [Jeff.flora@finance.idaho.gov](mailto:Jeff.flora@finance.idaho.gov) or at (208)332-8045.

Sincerely,

Jeff Flora  
Financial Examiner/Investigator  
Idaho Department of Finance

<sup>1</sup> This decision is based solely on the unique circumstances of the activity described and is not intended to serve as precedent for any other money transmitter or applicant. This letter should not be construed as a finding that licensure is not required in other jurisdictions where other users may reside.

**SECURITIES BUREAU**  
800 Park Boulevard, Suite 200, Boise, ID 83712  
Mail To: P.O. Box 83720, Boise ID 83720-0031  
Phone: (208) 332-8004 Fax: (208) 332-8099  
<http://finance.idaho.gov>

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MAY 08 2018

DEPARTMENT OF FINANCE  
STATE OF IDAHO

May 4, 2018

Jim Burns  
Securities Bureau Chief  
Idaho Department of Finance  
800 Park Boulevard  
Suite 200  
Boise, Idaho 83712

Dear Mr. Burns:

I am writing to confirm our company's understanding that it is exempt from Idaho Statutes, Title 26, Chapter 26, the Money Transmission Statute ("Money Transmission Statute"). [redacted] (" [redacted] ") has contracted with [redacted] Commercial Bank (" [redacted] "), where [redacted] will move money for consumers that wish to use a software developed [redacted] parent company, (" [redacted] ").

[redacted]'s software allows consumers to track, manage, and pay all of their domestic bills in one centralized location. If a consumer wishes to pay their bills, they would enter into an agreement with [redacted], where the consumer will receive clear and conspicuous disclosure that payments are processed by [redacted]. There will also be disclosures on receipts and on the website that payments are processed by [redacted].

The consumer will provide their payment details through the software to [redacted] (consumers may pay bills using ACH, debit, or credit cards), who in turn passes the payment details to [redacted]. If the consumer requests to pay via ACH, [redacted] will debit the consumer's bank account. The ACH funds will settle into a bank-owned bank account, and then [redacted] will remit payment to the biller. If the consumer requests to pay via debit or credit card, credit card processor Vantiv or Adyen will debit the consumer's account and make a daily deposit to the bank-owned bank account, and then [redacted] will remit payment to the biller. [redacted] then passes certain transactional fees for the service back to [redacted].

At no time in any transaction flow does [redacted] take possession of the consumer funds, therefore, [redacted] never meets the Money Transmission Statute definition of "Money Transmission," as it does not engage in "...receiving money for transmission..." nor is it in, "...the business of transmitting money...."

[redacted] would appreciate confirmation of its position. I have enclosed the contract with [redacted]. If you would like to discuss this matter in more detail, please contact me at [redacted] or [redacted].

views the information in this letter and the enclosures to be trade secrets and/or business proprietary information, and respectfully requests confidential treatment. If confidential treatment cannot be afforded, or this information is otherwise disclosed to any party other than the intended recipient, respectfully requests notification.

Sincerely,

Compliance Officer

Enclosure: Commercial Bank contract

## Jeff Flora

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**From:** >  
**Sent:** Wednesday, May 16, 2018 12:40 PM  
**To:** Jeff Flora  
**Subject:** Re: State of Idaho - Money Transmitter License

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Thanks Jeff. is a new subsidiary of and its purpose is to make sure that anything payments-related is removed completely from ., going forward, will purely be a technology holder. has contracted with Bank so that will process all payments on . In the future, may also contract with other banks that wish to use 's software or 's network of billers. The hope is that eventually, in addition to the stand-alone service that will offer today, it may also be the bill payment platform of choice for many online banking offerings at various banks. It may be helpful to chat through this. If you would like to speak, I am free all afternoon. You can reach me at .

Thanks,

On Wed, May 16, 2018 at 7:58 AM, Jeff Flora <[Jeff.Flor@finance.idaho.gov](mailto:Jeff.Flor@finance.idaho.gov)> wrote:

Thank you good effort putting together a flow chart.

Now my question, I am reviewing the attached flow chart and trying to figure out where fits into the program from .

Any insight would be appreciated.

Jeff

**From:** >  
**Sent:** Tuesday, May 15, 2018 3:58 PM

**To:** Jeff Flora <[Jeff.Flor@finance.idaho.gov](mailto:Jeff.Flor@finance.idaho.gov)>  
**Subject:** Re: State of Idaho - Money Transmitter License

Hi Jeff,

Sure thing; I have made my best effort in the attached.

Please let me know if you have any questions.

Best,

On Tue, May 15, 2018 at 7:22 AM, Jeff Flora <[Jeff.Flor@finance.idaho.gov](mailto:Jeff.Flor@finance.idaho.gov)> wrote:

Good Morning        – May I see some of your graphic artwork, by providing a basic flow of funds chart for  
?

Regards,

Jeff

**From:** >  
**Sent:** Friday, May 11, 2018 4:00 PM  
**To:** Jeff Flora <[Jeff.Flor@finance.idaho.gov](mailto:Jeff.Flor@finance.idaho.gov)>  
**Subject:** Re: State of Idaho - Money Transmitter License

Hi Jeff,

Thanks for getting back to me so quickly! We don't have a mapped-out funds flow chart yet, as the banking relationship has just been established, but the funds will flow as described in paragraph 3 of the letter, with the bank fully in control of the funds.        and        will be completely removed from the funds flow, and will never handle consumer funds. If you would like it mapped out, let me know, and I can draw something up for you, but it probably won't be pretty (I'm no graphic artist) and it won't have details like bank account numbers, etc., as those are all owned by the bank and        and        will not have access.

Thanks, and have a great weekend.

On Fri, May 11, 2018 at 8:19 AM, Jeff Flora <[Jeff.Flora@finance.idaho.gov](mailto:Jeff.Flora@finance.idaho.gov)> wrote:

Good Morning : The department is in receipt of your letter.

I am seeing a flow of funds chart on NMLS system, which depicts Noventis in the payment processing stream, where does fit in with this flow of funds?

Would you please provide a flow of funds chart, which reflects the role of in the flow of funds process?

Regards,

Jeff

Jeff Flora CFE, CAMS

Idaho Department of Finance

Financial Examiner/Investigator III

Securities Bureau -Money Transmitters

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